

INTELLIGENCE SUPPORT FOR  
COCOM CONTROLS

A. Post-Geneva Developments

1. The return of the "cold war" resulting from the Geneva FM Conference does not seem to have brought about a relaxation in the pressure for downward revision of the strategic trade controls system vis-a-vis the Soviet Bloc. The UK has served notice on the US that it intends unilaterally to initiate the progressive elimination of differential controls against Communist China not later than 15 January, with simultaneous notification to COCOM.

2. Total elimination of the multilateral controls differential in the very near future would not only undermine the US case in COCOM, but would deflate the principal bargaining device in the Johnson-Wang negotiations, other than sheer military force.

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Except for general expressions favoring a uniform Sino-Soviet Bloc list before, and in anticipation of, the Geneva FM conference, the French have not taken a definitive stand. Other FCs have made specific proposals for selectively and gradually shortening the China lists; the Japanese proposal for the elimination of 111 items has been the most specific to date.

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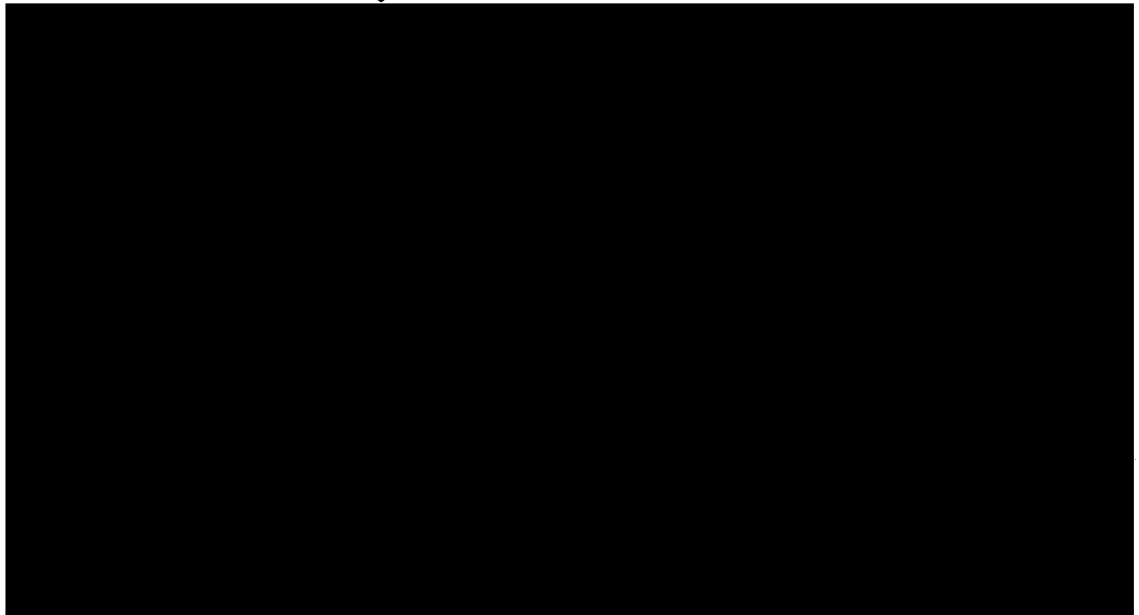
4. Failure to establish immediate rapport with the UK on this matter would threaten the very existence of the multilateral basis of COCOM and would weaken the US stand in the Johnson talks. Any information concerning the present UK stand leaking to other COCOM PCs would lead to a great, and perhaps uncontrollable, decontrol scramble. Even Mr. Dulles' position at next week's NATO meeting could be affected by a lack of mutual understanding.

B. US Position

5. The US could take any one or a combination of any of the following steps:

(a) press for a CG meeting in January, immediately after

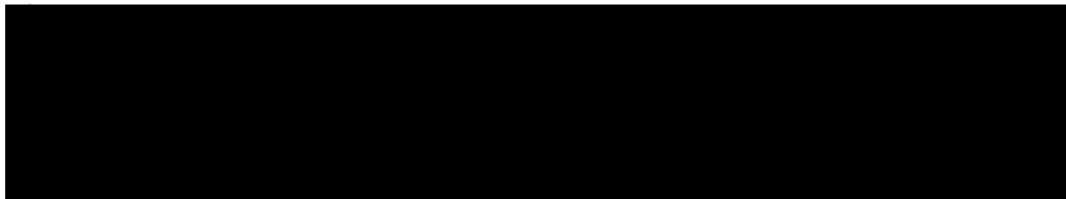
25X6A French elections;



C. Intelligence Support

6. The following support materials are now available:

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- (b) an intelligence analysis of a "hard-core" list of IL-I items which should continue to be embargoed to the Bloc (even under "golden-age" criteria) in addition to items now on the Munitions and AE lists (November 1955);
  - (c) an intelligence study of factors determining the strength of Soviet Bloc demand for all IL-I commodities not covered in (b) above (October 1955); and
  - (d) an intelligence appreciation of the likely denial impact upon the Bloc for a group of commodities selected according to their "relative costliness" to the Bloc (October 1955).
7. The following support materials will be available by the end of 1955:
- (a) an intelligence study of the economic impact upon the Sino-Soviet Bloc of the China controls differential (corollary studies for the impact of China controls upon free world economies are being prepared in OIR and Commerce in the context of EDAC preparations for a CG meeting; and
  - (b) a survey of pertinent intelligence on the Bloc position in, and requirements for, IL-II commodities.

8. Two significant problem areas for which specific projects have not been laid on are:

- (a) the tentative compilation of intelligence on a commodity list comparable to [REDACTED] and
- (b) a comprehensive intelligence study of recent technological developments and significant new products which should be added to the control lists.

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9. Finally, the development of intelligence for the determination of new criteria offers challenging opportunities of striking a blow for the COCOM structure as a defensive device in the armory of the free world.

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